

**HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS**

**BILL #:** CS/HB 1483 Spring Hill Fire Rescue and Emergency Medical Services District, Hernando County

**SPONSOR(S):** Military & Local Affairs Policy Committee and Schenck

**TIED BILLS:** **IDEN./SIM. BILLS:**

	<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR</b>
1)	Military & Local Affairs Policy Committee	13 Y, 0 N, As CS	Rojas	Hoagland
2)	Finance & Tax Council		Wilson	Langston
3)	Economic Development & Community Affairs Policy Council			
4)				
5)				

**SUMMARY ANALYSIS**

The Spring Hill Fire Rescue and Emergency Medical Services District of Hernando County was created in 2009 by ch. 2009-261, L.O.F. The district was created as an independent special fire control district, with all powers under ch. 189 and 191, F.S., within the district's boundaries.

However, due to a scrivener's error, ch. 2009-261, L.O.F., did not accurately record the legal description of the district. The Hernando County Property Appraiser's Office identified discrepancies in the district boundaries provided in the original act. The boundaries used to levy the ad valorem tax for the district for the last four decades, as a dependent district, are slightly different from the boundaries described in the act.

The county has been able to determine that the affected residents participated in the November 4, 2008, election in which the electors of the district voted for the district to become independent.

This bill clarifies the boundaries for the Spring Hill Fire Rescue and Emergency Medical Services District. The bill also prohibits the district from levying ad valorem taxes on tangible personal property.

The bill is effective upon becoming law.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Background

The Spring Hill Fire Department was established in 1968. In January of 1974, after a special referendum election, the Spring Hill Fire Department became the Spring Hill Fire & Rescue District. This was a special fire tax district, voted for by the citizens and making Spring Hill Fire & Rescue, still today, the first and only government body in Spring Hill.

In the early 1990's the department was part of the county's total millage cap. The county then transformed the area of the district into a Municipal Service Taxing Unit. Near this time, the county, also allowed the district to become independent, however the measure was rejected at election. During this period the district essentially operated as a quasi-dependent district. On November 4, 2008, the electors of the district voted for the district to become independent.

Chapter 2009-261, L.O.F., created the Spring Hill Fire Rescue and Emergency Medical Services District (the district) as an independent special fire control district, in Hernando County, Florida.

##### Boundary Change

However, due to a scrivener's error, ch. 2009-261, L.O.F., did not accurately record the legal description of the district. The Hernando County Property Appraiser's Office identified discrepancies in the district boundaries provided in the original act. The boundaries used to levy the ad valorem tax for district for the last four decades, as a dependent district, are slightly different from the boundaries described in the act.

In a combined effort with the Hernando County Property Appraiser's Office, the Hernando County Office of Management and Budget, and the district, the intended boundaries have been identified and submitted to the Legislature for correction. This bill establishes the originally intended boundaries of the district.

The county has been able to determine that the affected residents participated in the November 4, 2008, election in which the electors of the district voted for the district to become independent<sup>1</sup>.

Section 191.014, F.S., provides that boundaries of a district may be modified, extended, or enlarged only upon approval or ratification by the Legislature. The merger of a district with all or portions of other independent special districts or dependent fire control districts is effective only upon ratification by the Legislature. A district may not, solely by reason of a merger with another governmental entity, increase ad valorem taxes on property within the original limits of the district beyond the maximum established by the district's enabling legislation, unless approved by the electors of the district by referendum.

### Ad Valorem Taxes

Currently, the Spring Hill Fire Rescue and Emergency Medical Services District board is authorized to levy ad valorem taxes annually against all taxable property within the district to provide funds for the district.

The bill also prohibits the district from levying ad valorem taxes on tangible personal property.

#### B. SECTION DIRECTORY:

Section 1: Amends ch. 2009-261, L.O.F., to correct district boundary and prohibits the district from assessing a tangible personal property tax.

Section 2: Provides an effective date of upon becoming law.

## II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes  No

IF YES, WHEN?

January 30, 2010

WHERE?

Hernando Today/ Hernando Sunday, a newspaper published in Brooksville in Hernando County, Florida.

B. REFERENDUM(S) REQUIRED? Yes  No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached  No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached  No

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<sup>1</sup> Per written communication with the Hernando County Property Appraiser's Office, Hernando County Supervisor of Elections Office, and the Spring Hill Fire Rescue and Emergency Medical Services District Fire Chief.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

Article VII, Section 4 of the Florida Constitution states that, "By general law regulations shall be prescribed which shall secure a just valuation of all property for ad valorem taxation . . . ."

Florida courts have interpreted Article VII, Section 4 of the Florida Constitution to limit the ability of the legislature to create classifications of property for favored tax treatment.<sup>2</sup>

The bill contains a provision that classifies tangible personal property and exempts it from taxation. This provision may implicate Article VII, section 4 of the Florida Constitution and the court decisions interpreting the constitutional provision.

#### B. RULE-MAKING AUTHORITY:

None

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

None

### IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On April 8, 2010, HB 1483 was amended in the Military & Local Affairs Policy Committee upon adoption of an amendment. The amendment added language to the bill that expressly prohibits the district from assessing a tangible personal property tax. The analysis reflects the bill as amended.

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<sup>2</sup> *Interlachen Lakes Estates, Inc. v. Snyder*, 304 So.2d 433 (1973).